



Agenda Date: 12/18/02

Agenda Item: 3A

## **STATE OF NEW JERSEY**

### **Board of Public Utilities**

*Two Gateway Center*

*Newark, NJ 07102*

*www.bpu.state.nj.us*

IN THE MATTER OF THE APPLICATION BY HOME )  
LINK COMMUNICATIONS OF PRINCETON, L.P. )  
d/b/a RCN FOR THE APPROVAL OF THE FILING )  
OF FCC FORM 1205 TO UPDATE REGULATED )  
EQUIPMENT AND INSTALLATION CHARGES )

CABLE TELEVISION

ORDER ADOPTING STIPULATION

BPU DOCKET NO. CR02010047

OAL DOCKET NO. CTV 4846 – 02

(SERVICE LIST ATTACHED)

BY THE BOARD:

On January 29, 2002, Home Link Communications of Princeton, L.P. d/b/a RCN ("Petitioner") filed Federal Communications Commission ("FCC") Form 1205, Docket Number CR02010047, with the Board of Public Utilities ("Board") for the purpose of adjusting regulated equipment and installation rates.

The Board is the local franchising authority in New Jersey and is certified to regulate basic service rates and equipment and installation charges.

FCC Form 1205 is the form used by cable operators to update their regulated rates for equipment, such as converters and remotes, and customer installations. Under the revised benchmark rules which apply to operators beginning May 15, 1994, Second Order on Reconsideration, Fourth Report and Order, and Fifth Notice of Proposed Rulemaking, MM Docket, 92-266, FCC 94-38, ("Second Order on Reconsideration"), cable operators are required to justify their rates for cable installations and the lease of equipment. Cable operators must file a new Form 1205 with the franchising authority on an annual basis to determine whether the rates established by the operator are reasonable.

Under the FCC's Form 1205 methodology, the charges established for equipment leases and customer installations are based on actual cost. Equipment rates are derived from the total capital and maintenance costs per unit of equipment, and installation rates are derived from a calculation of an hourly service charge ("HSC") and an application of that charge to different types of installations.

Petitioner serves approximately 6,704 subscribers residing in the Borough of Princeton and the Township of Princeton.

On, February 8, 2002, as provided by the New Jersey Administrative Procedures Act N.J.S.A. 52:14B-1 et seq. and N.J.S.A. 52:14F-1 et seq., the above filing was transmitted to the Office of Administrative Law ("OAL") for hearing and initial disposition. Following a second transmittal, the matter was assigned and docketed by the OAL on August 6, 2002. On May 10, 2002 a pre-hearing teleconference was held for this matter and a related matter involving another system operated by the Petitioner, and attended by the Petitioner, the Division of Ratepayer Advocate ("Ratepayer") and the Board's Staff ("Staff") (collectively, the "Parties"). As a result of the pre-hearing conference, evidentiary hearings for both filings were set for August 27, 28 and 29, 2002. On August 2, 2002, the Parties initiated settlement discussions.

On August 27, 2002, after subsequent negotiations, the Parties reached agreement and executed the Stipulation of Settlement ("Stipulation") memorializing their agreement. On October 25, 2002, the OAL decided that since the Board (through the Attorney General's Office) notified it that the Parties in the matter had reached a settlement agreement, the settlement document signed by said Parties on August 27, 2002, shall be deemed a final decision. Pursuant to N.J.A.C. 1:1-19.1 (d), the OAL file was closed and the case sent back to the Board for final disposition.

Under the terms of the Stipulation, Petitioner's regulated equipment and installation rates will remain at the level last approved by the Board on March 13, 1997, in Docket No. CR95040159, with the exception of the addition of a rate covering the recent introduction of Petitioner's new "digital" converter. The monthly lease rate for the digital converter (including the remote) will be \$3.95.

Petitioner notified its customers of the rate changes by way of a newspaper announcement informing them of their opportunity to submit written comments to ALJ Douglas H. Hurd for a period of thirty (30) days. The notice appeared in various newspapers on July 26, 2002. No comments were received as a result of the public notice.

The Board has reviewed the Stipulation and FINDS it to be reasonable, in the public interest and in accordance with the law. Therefore, the Board HEREBY ADOPTS the Stipulation of Settlement (attached hereto), incorporating by reference the terms and conditions therein as if fully set forth at length herein.

The Board HEREBY ORDERS that Petitioner shall submit a certified refund liability statement to the Office within fifteen (15) days of the date of this Order which shall at a minimum include, but not be limited to the following items: (a) the number and type of any installations not part of the Stipulation that were performed during the period of April 25, 2002, through the present date; (b) the amount charged for such installations that exceeded the settlement rates specified in Schedule A of the Stipulation of Settlement; (c) the number of subscribers of record as of the effective date of the implementation of the refund who had been charged for such installations in excess of the settlement rates specified in Schedule A of the

Stipulation; (d) a calculation of the interest using the applicable FCC published rate of interest from the date of the charge through the date of refund; (e) the total refund amount both pre and post interest; and (f) the per subscriber refund amount.

The Board HEREBY ORDERS that Petitioner shall issue refunds due its subscribers pursuant to the Stipulation within thirty (30) days of approval of its refund liability statement by the Office, and that Petitioner shall inform subscribers of the reason for the refunds. Said refunds shall be denominated "BPU Refund" on subscribers' bills.

Petitioner, within ten (10) days of the payment of the refunds to subscribers, is HEREBY DIRECTED to notify the Board, in writing, of the date(s) said refunds were paid and the amounts refunded. The Board FURTHER ORDERS that Petitioner, within ten (10) days of effectuating the entire refund to its effected subscribers, certify in writing to the Office of Cable Television that the refunds have been completed.

DATED: February 19, 2002

BOARD OF PUBLIC UTILITIES  
BY:

(signed)

JEANNE M. FOX  
PRESIDENT

(signed)

FREDERICK F. BUTLER  
COMMISSIONER

(signed)

CAROL J. MURPHY  
COMMISSIONER

(signed)

CONNIE O. HUGHES  
COMMISSIONER

(signed)

JACK ALTER  
COMMISSIONER

ATTEST:

(signed)

KRISTI IZZO  
SECRETARY

IN THE MATTER OF  
HOME LINK COMMUNICATIONS OF PRINCETON, L.P. d/b/a RCN  
FCC FORM 1205

DOCKET NUMBER: CR02010047

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